



## MANAGEMENT AGREEMENT

In consideration for covenants contained herein the parties, **Nelson Property Management**, whose business address is 34620 UTICA Road, Suite 400, Fraser, MI 48026, hereinafter (“agent”) and, **Owner**, hereinafter referred to as “Owner” enter into this Management Agreement on this day of **Date**

### 1. OWNER’S RECITALS

1.1. Owner warrants that it is the true and lawful owner of the premises commonly known as: **Address:**

1.2. **Designation.** Owner wishes to designate Agent as the operator and manager of the Property on an exclusive basis and the Agent agrees to operate and manage the property in accordance with the conditions set forth within this agreement.

1.3. **Payment for services.** Nelson Property Management offers three different programs for Owners. Review the options and check the box next to the one that best serves your needs.

LEASE ONLY	FULL SERVICE	PREMIUM SERVICE
8.4% of Annual Rent	10% of Monthly Rent	12% of Monthly Rent
*Marketing/Advertising; *Screening/Background *Tenant placement with 12 month guarantee *Do’s and Don’ts guide for owner managed property	*Includes all of Lease Only -First month rent to NPM *Move in/out Inspections *Rent collections *Maintenance *Monthly owner statements *Eviction management	*Includes all Full Service *Video Marketing *Additional inspections -mid-year inspection *Eviction protection program - up to \$800.00 annually per property

1.3.1 Re-lease fee \$330.00 (same tenant)

1.4. **Insurance.** To carry a liability insurance policy with adequate dwelling and liability coverage at all times during the Agent's management. Agent will not be responsible for payment of insurance coverage.

1.5. **Indemnity.** Owner hereby agrees to hold harmless and release Agent from any and all claims and causes of action, by owner, excluding only claims or intentional wrongdoing, misfeasance or gross negligence of Agent.

1.5.1. Owner further agrees to indemnify and defend Agent from and against all claims, losses, actions, costs, expenses, attorney's fees, liabilities and damages asserted by any party other than owner, including local governmental units, which arose out of or connected with Agent's performance of its duties hereunder, except for intentional wrongdoing, misfeasance or gross negligence of Agent.

1.5.2. Owner is to pay all legal expenses, including attorney fees, of Agent in defending any action arising out of the management of the property.

1.6. **Documentation.** Owner shall furnish Agent a complete copy of the most recent rental license or registration (as required by local government agency), and a copy of proof of insurance of the property.

## **2. Agent's Recitals**

2.1. **Designation.** Agent accepts Owner's designation and agrees to operate and manage the property as set forth herein.

2.2. **Best efforts.** Agent agrees to use his "best efforts" in collecting rent and carrying out the interest of the Owner. Agent assumes no responsibility for non-payment of rent by tenants. Every effort will be made to forego litigation costs should non-payment occur.

Agent further agrees to use its best efforts to maintain the property, prevent damage to the property, and use necessary means to recover damage to the property caused by any tenants through security deposit or other means.

2.3. **Payment.** Agent agrees to render, before the 15th day of each calendar month a statement of billings, receipts and charges for the preceding calendar month, with Owner receiving the net balance of rents received by Agent after payment of all expenses. 1099's and an annual statement containing such information will be provided to the Owner by the last day of January for the preceding calendar year or part thereof. The Agent shall keep the records in accordance with customary practices of managing agents covering the management of residential property. Owner will have the right to ask for an accounting upon 48 hours' notice.

## **3. Agent's Powers & Duties**

3.1. **Leasing.** Agent shall lease the property and execute necessary documents on behalf of the owner, including initial leasing documents, lead based paint addendums, water affidavit, move in inventory checklist, and other necessary and proper documents.

3.2. **Collection.** Agent agrees to deposit all funds collected on behalf of the owner and deposit in an account. Owner understands that this account may contain general funds that are not the property of the Owner. Owner's portion of this account will be deemed "Owner's Account", be accounted for separately, and be reported to the Owner monthly.

3.4. **Repairs.** Owner authorizes Agent to enter into agreements for all necessary repairs not exceeding \$300.00. Repairs will be paid out of owner's reserve first and outstanding rents thereafter. Repairs in excess of \$300.00 dollars will be sent to the owner for authorization via email and completed with owner's wishes. Itemized repair list to be sent as incurred. Agent is under no duty to advance fees at any time.

3.4.1. **Emergency situations.** Situations requiring repairs in excess of \$300.00, but deemed to be an "Emergency"-those affecting the safety of the property or well-being of its inhabitants will be approved by Agent on behalf of the Owner. Owner waives notice requirements as set forth in paragraph 3.4. Agent to put Owner on notice within 24 hours of learning of the Emergency.

3.4.2. **City violations.** In the event that any governmental agency, authority, or department should order a repair, alteration, or removal of any structure matter on the Property, and, after written notice of the same to the Owner by such body or by the Agent, the Owner fails to authorize the Agent or others in writing to make such repairs, alterations or removal within the period required, the Agent shall be released from any responsibility or liability in connection therewith and Owner shall be solely responsible and answerable to such body or any and all actions, penalties, or fines imposed.

3.5. **Maintenance and utility costs.** Agent agrees to provide maintenance: (lawn care, snow removal, etc.) along with utility costs (electric, gas, etc.) during times of vacancy. These items will be billed first against owner reserves and billed to owner when reserves prove inadequate.

3.6. **Evictions.** Owner authorizes agent to institute eviction proceedings consistent with the general terms of the lease agreement, state law, and local ordinances. In addition, Owner is responsible for all filing, mailing, serving costs, and parking costs associated with the eviction. Agent shall serve all notices and be responsible for seeing that any pleadings are served appropriately.

3.6.1. **Post-Judgment Collections.** Agent shall not engage in post-judgment collection activity without prior written authorization of Owner.

3.6.2. **Security Deposit & Damages After Tenancy.** In the event that the property is damaged as a result of tenancy, Agent shall use its best efforts to

obtain a release of the security deposit from the tenant to repair the property. In the event that litigation becomes necessary Agent shall not engage in litigation activity without the prior written authorization of Owner. Owner and Agent recognize that, pursuant to the Michigan Security Deposit Act, litigation is sometimes necessary to recover a tenant's security deposit.

#### **4. Mutual Recitals**

4.1. The provisions of this contract are on a month-to-month basis and may be cancelled by either party provided a 30 day notice is given in writing.

4.2. Owner and Agent agree that should a dispute arise in connection with this agreement or the property, and the obligations and/or performance of either party hereto, that this agreement was made in the County of Macomb, State of Michigan. The parties further agree that the laws of the State of Michigan shall apply to any interpretation of this agreement.

4.3. This agreement represents the entire agreement between parties, and may not be amended, altered, or modified except in writing.

4.4. **City code enforcement.** Certain municipalities may have licensing requirements, including rental registration. Owner understands that it is the responsibility of the Owner and not the Agent to complete the registration and certification. Owner releases and holds harmless Agent from non-compliance of the above. Agent will assist with registry of necessary inspection(s), as needed.

Cost for registration and inspection(s) will be first attached against rental reserve, second against incoming rents, and third billed to the owner. Repairs to comply may be completed by either the Owner or Agent. If completed by the Agent the funds must be advanced first by Owner.

4.5. The signatories below agree and represent that each has the authority to enter into this agreement on behalf of the parties and bind the parties to the terms and conditions of this Agreement. Both parties are relying on this statement of authority.

4.6. The signatories below agree that electronic signatures are an acceptable form of signing this management agreement.

Signed and agreed-to by:

**Agent: Nelson Property Management**

**Owner:**

\_\_\_\_\_

\_\_\_\_\_

By: Daniel A. Nelson as its President

By:

Dated: \_\_\_\_\_

Dated: \_\_\_\_\_